

FIG. 1

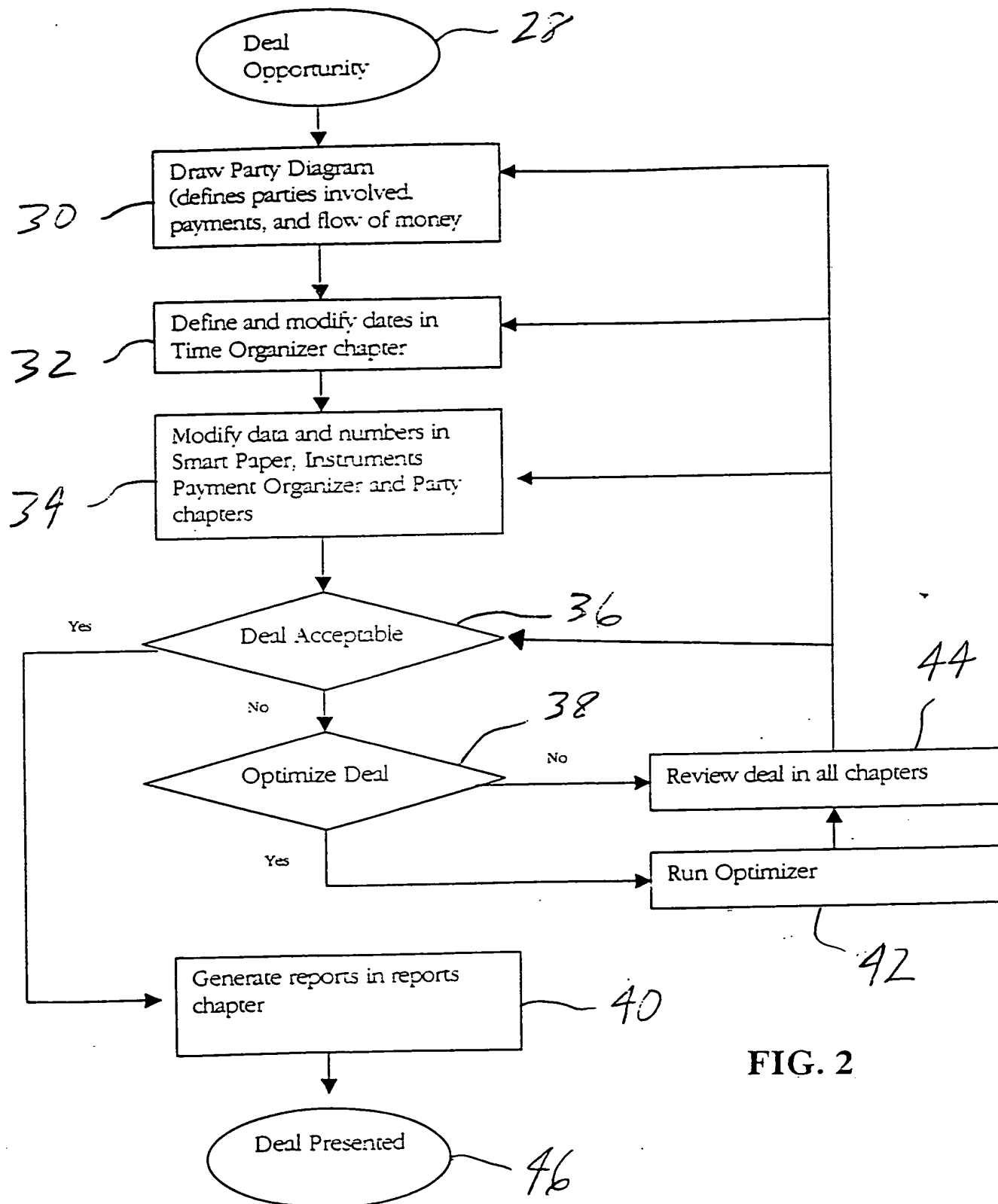
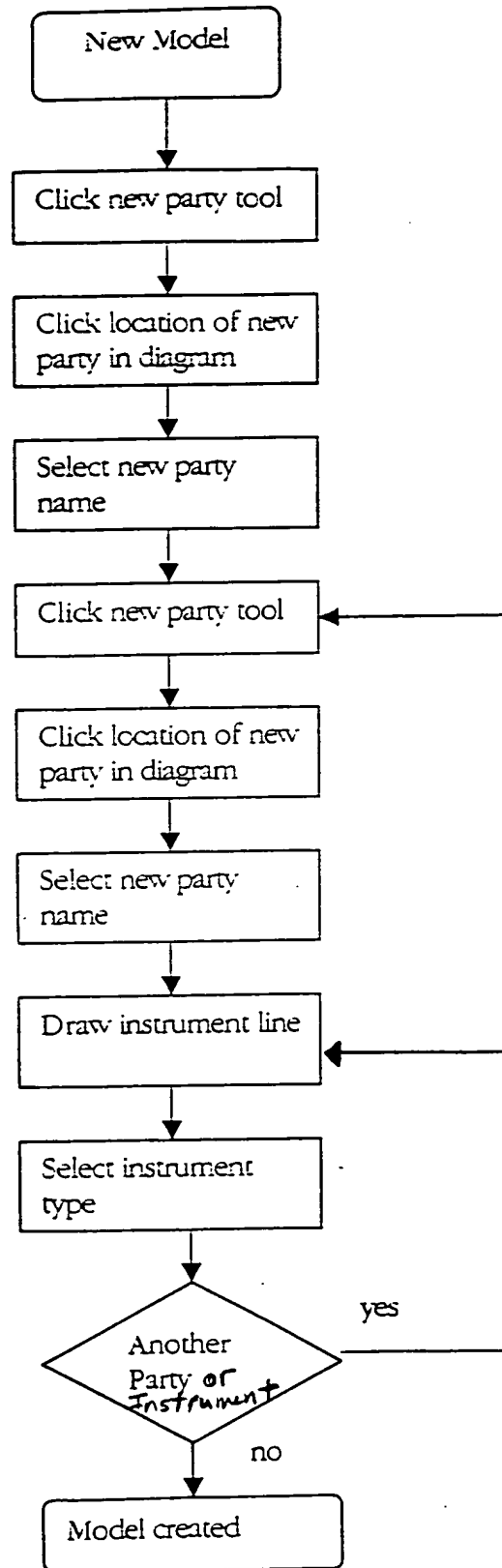


FIG. 2



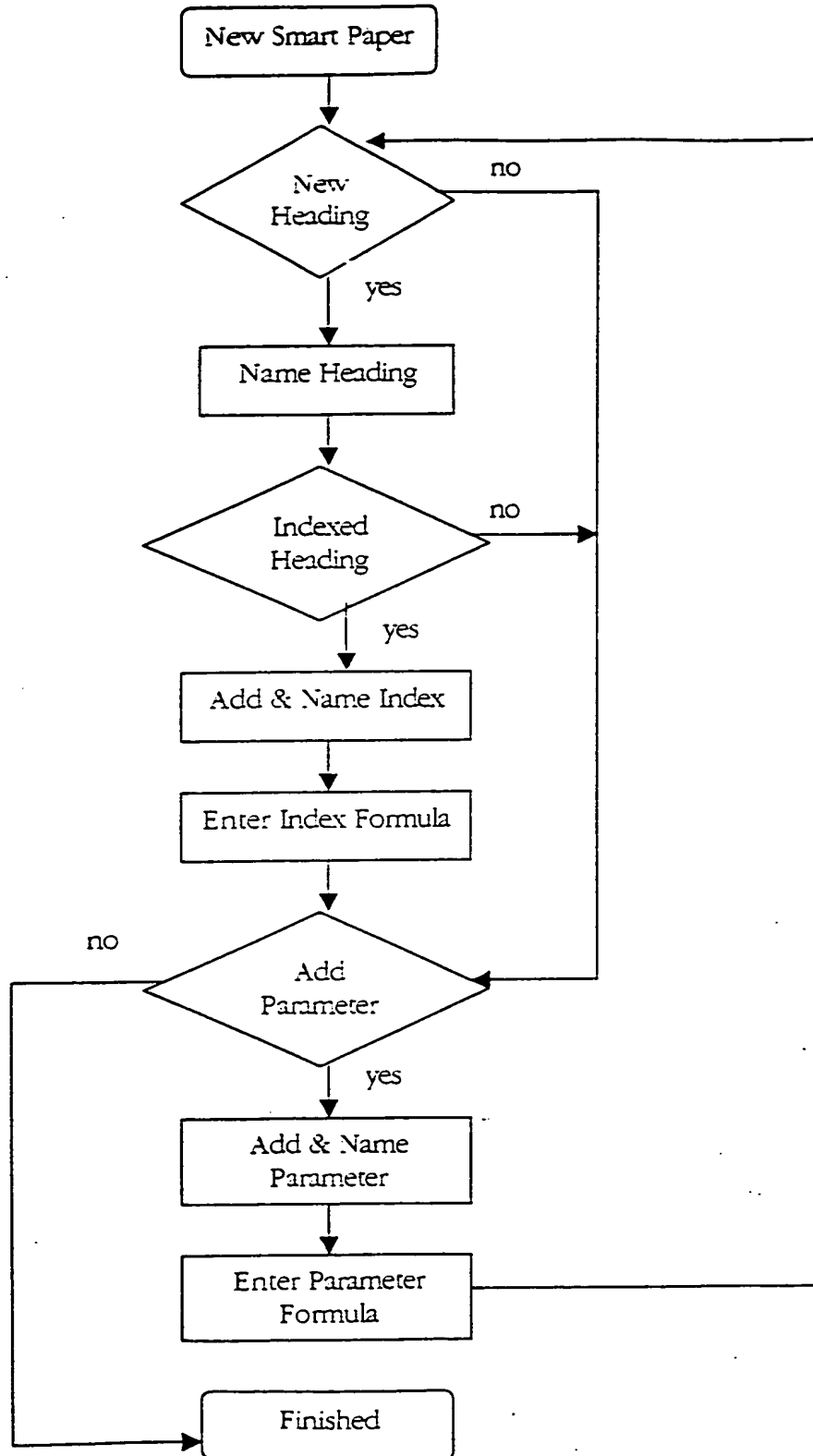


FIG. 4

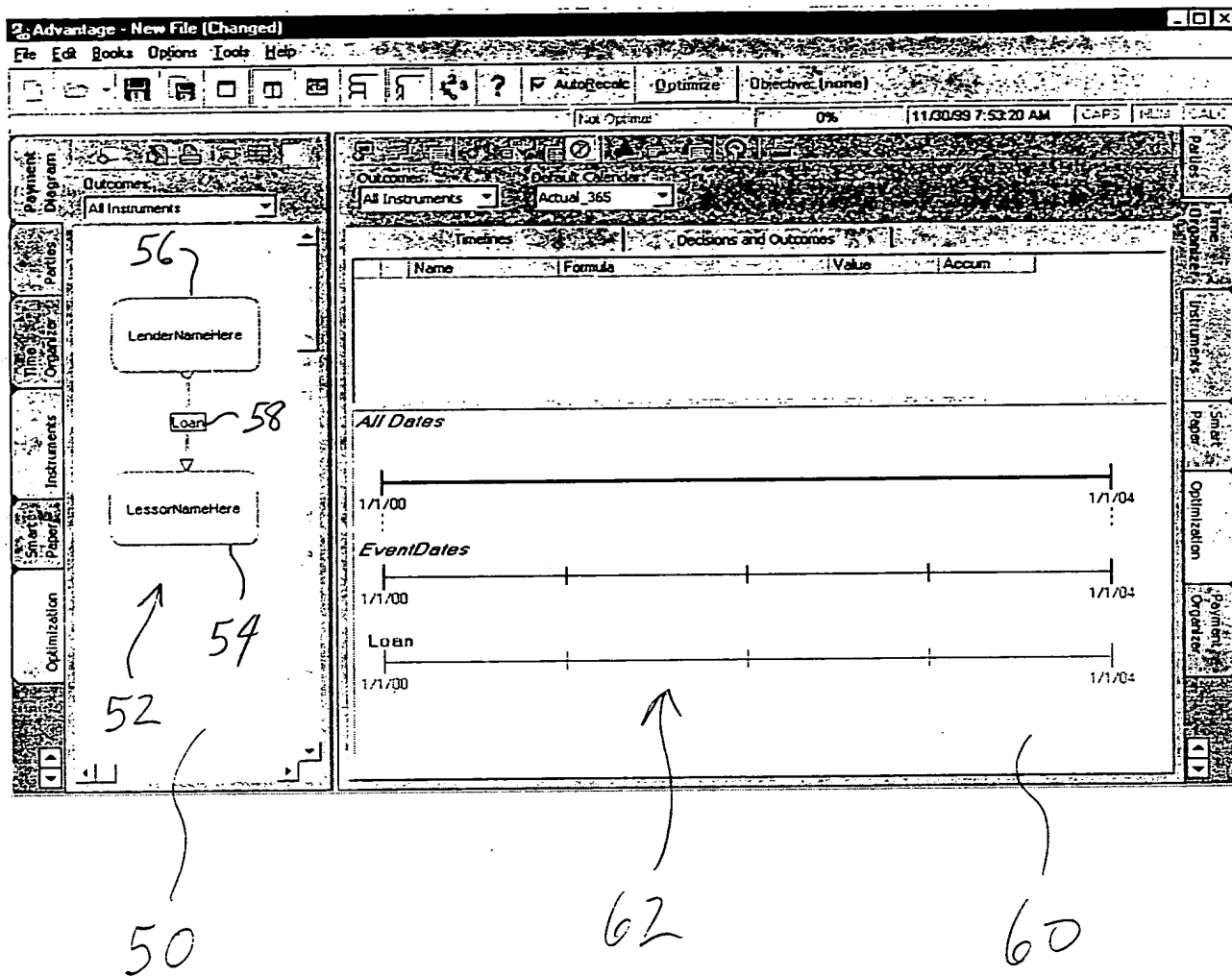


FIG. 5

Advantage - New File (Changed)

File Edit Books Options Tools Help

AutoRecalc Optimize Objective (none)

Not Optimal 0% 11/01/99 7:53:33 AM CAFE PLEH

Payment Diagram

Outcomes: All Instruments

LenderNameHere

Loan

LessorNameHere

Instrument Name: Loan Loan 1.073.0

Borrower: LenderNameHere Lender: LessorNameHere Calculations Event Handlers Reports

Totals 0 1 2

Parameters

Schedule

Inputs

CostAndCalendar

Cost

Calendar Actual_365

InterestRate

RateStartDates → 01 Jan 2000

Rate 3.7500%

DefaultRate 8.7500%

TakedownPattern

FundingDates → 01 Jan 2000

Pattern • 100.0000% 100.0000%

Payments

InputMethod InputByDebtService

PaymentDates → 01 Jan 2000 01 Jan 2001 01 Jan 2002

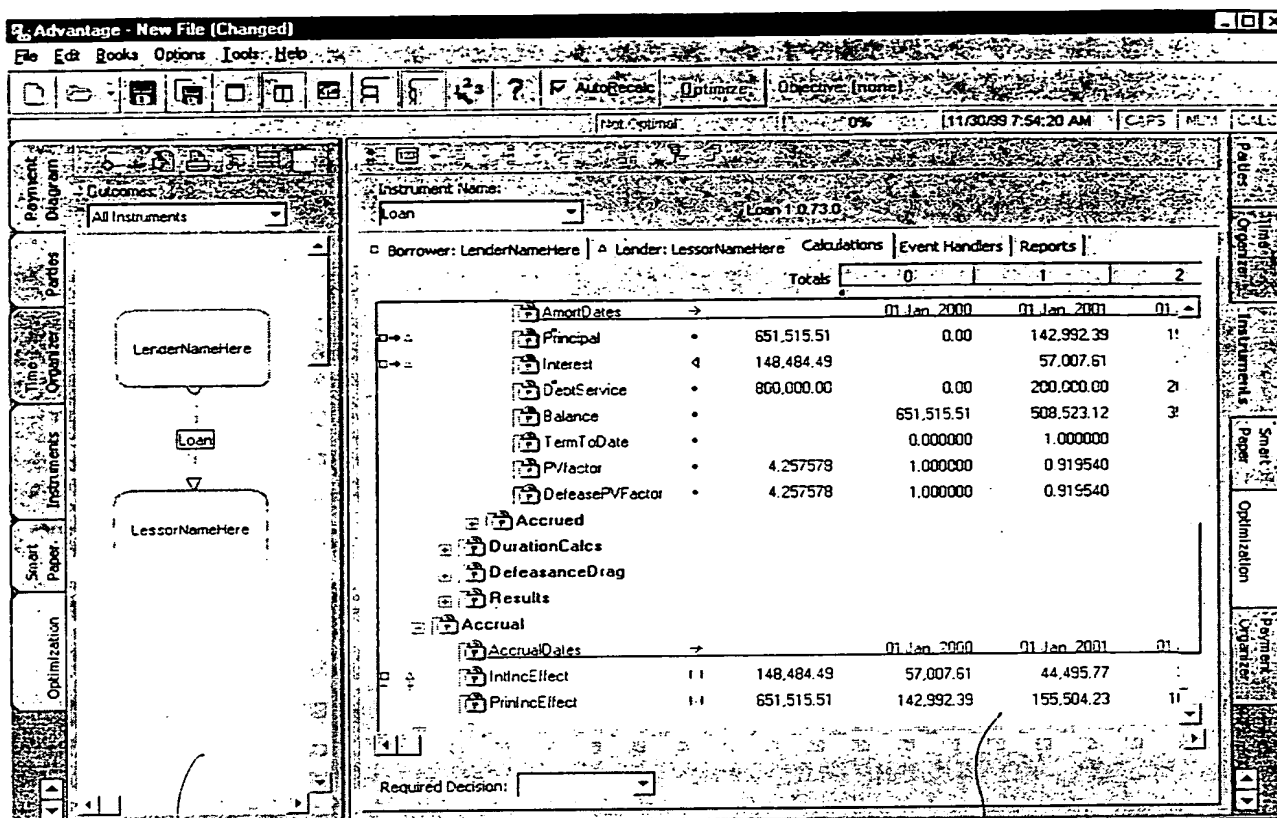
Loan Amount 200,000.00 0.00 200,000.00

Required Decision:

50

68

FIG. 6



50

68

FIG. 7



FIG. 8

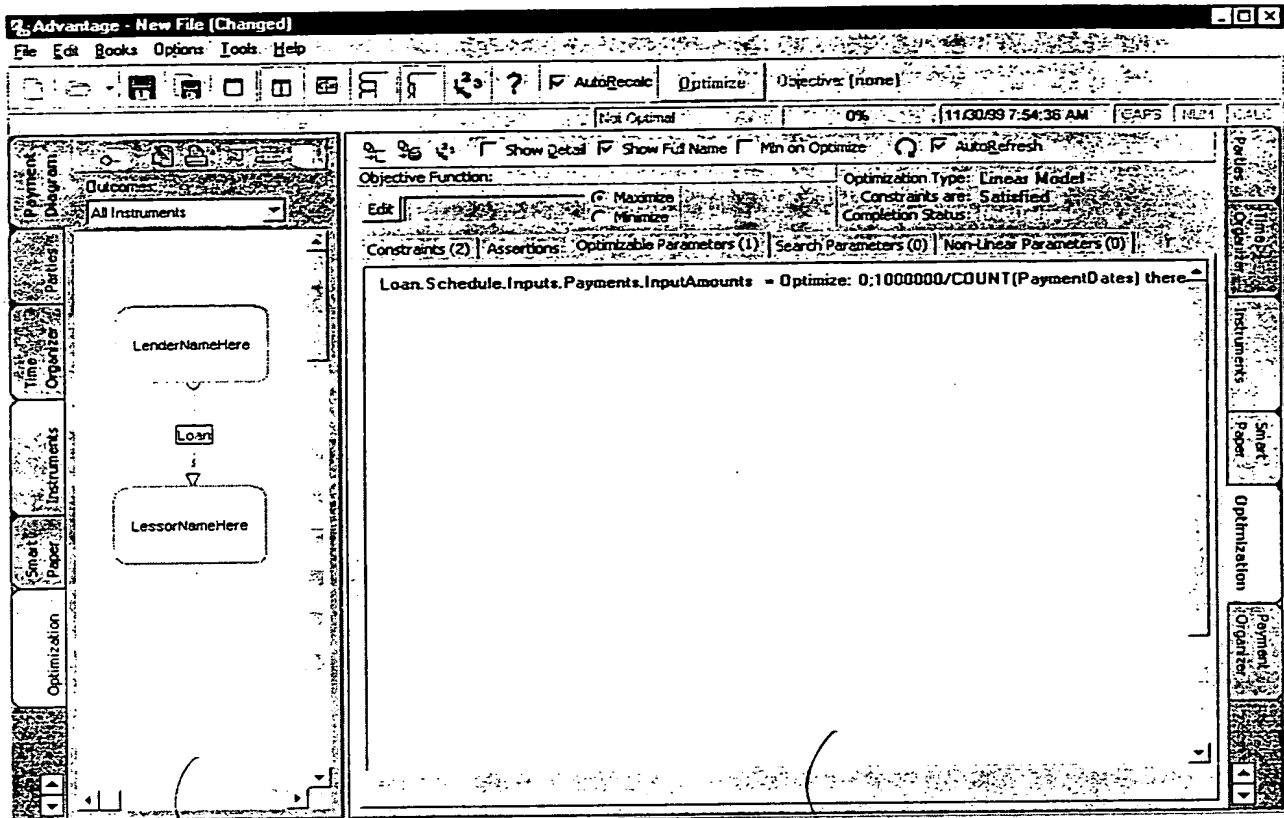


FIG. 9

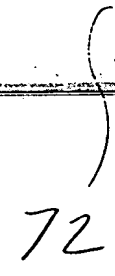
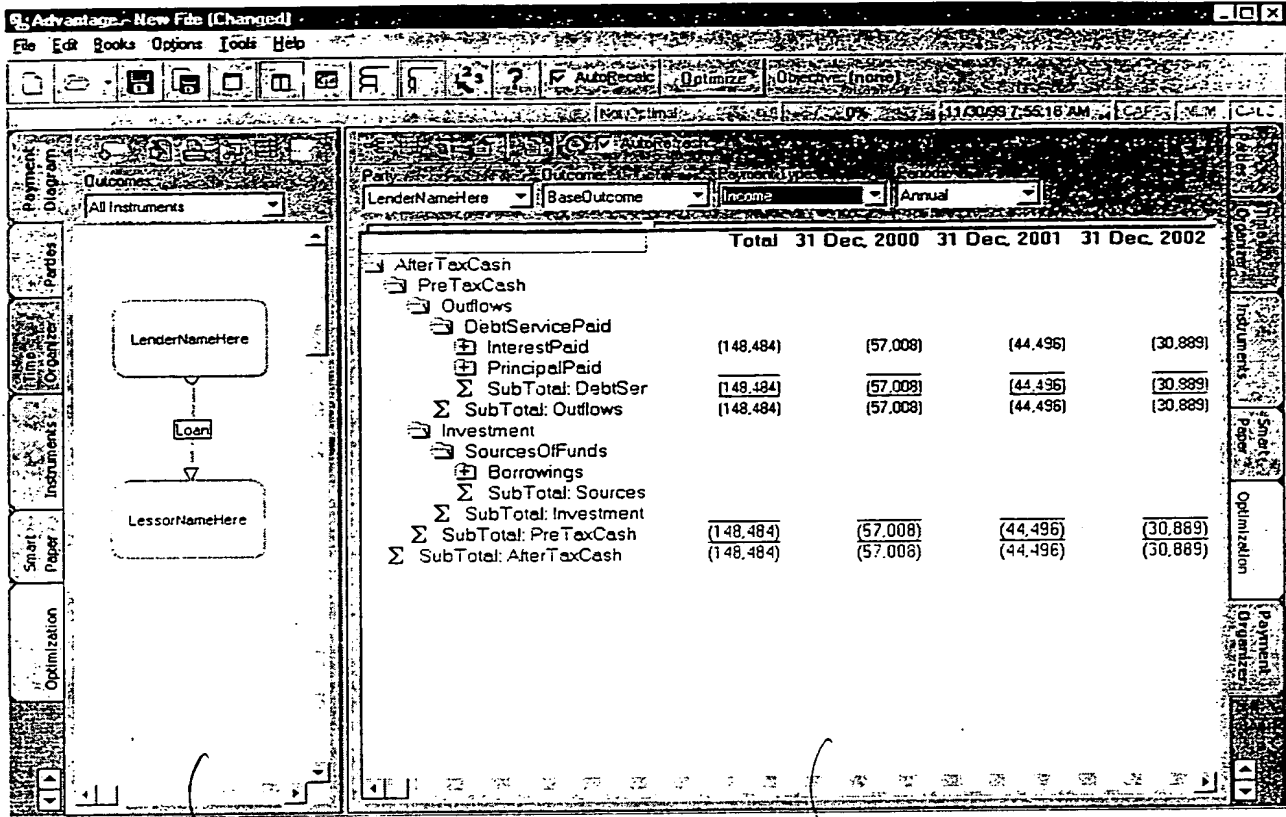
[illegible]

FIG. 10



50

72

FIG. 11

09/530040

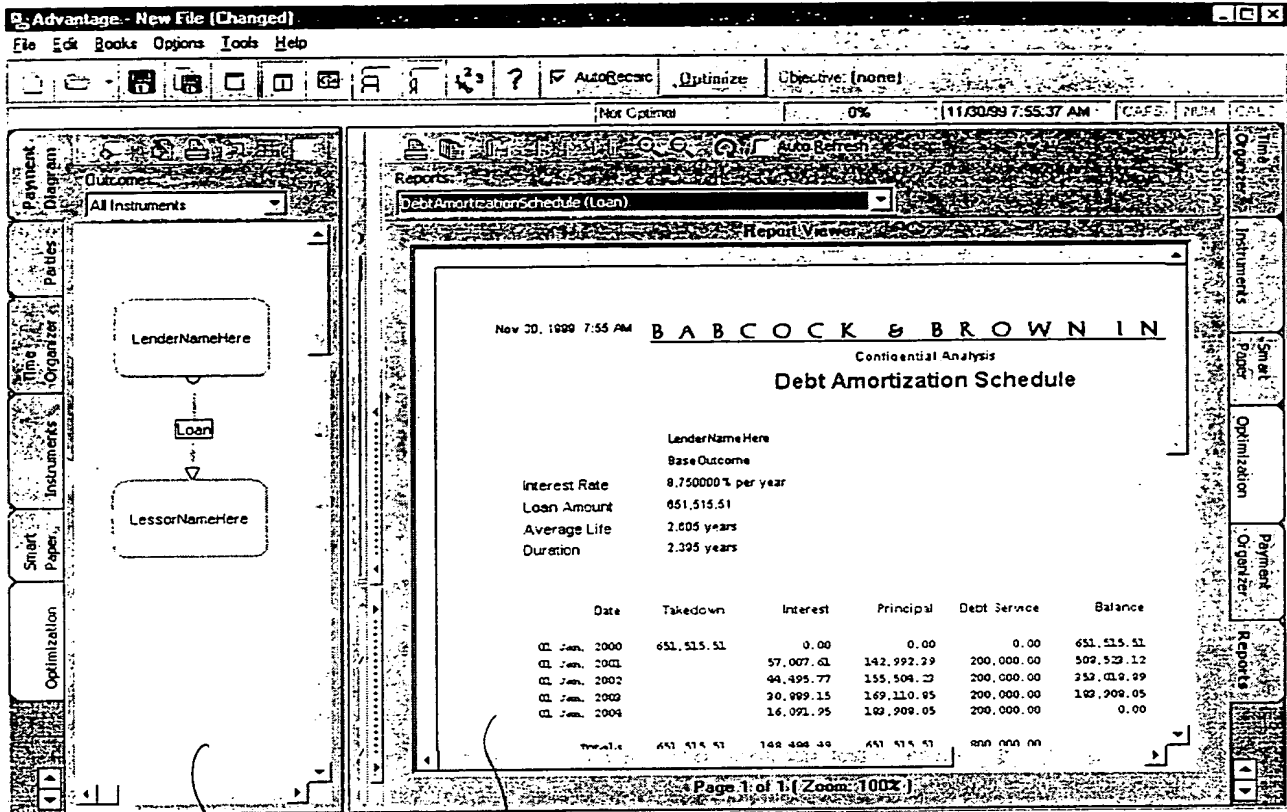


FIG. 12

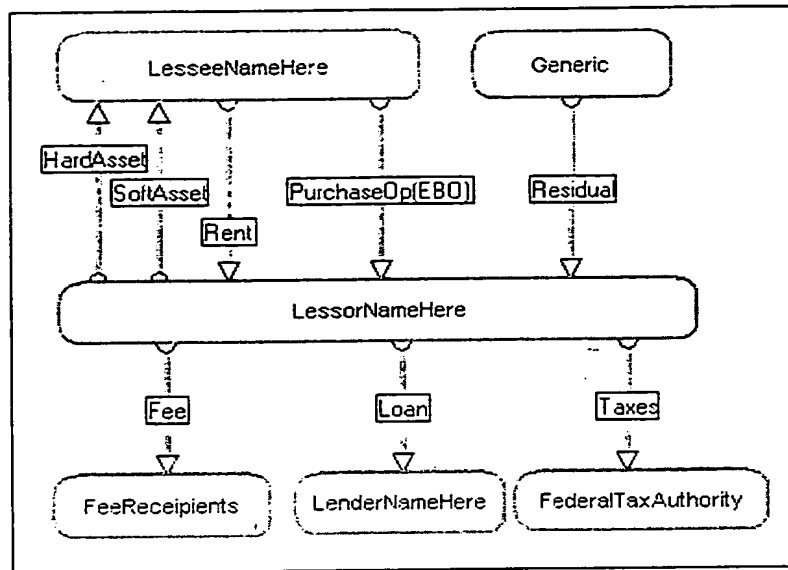


FIG. 13

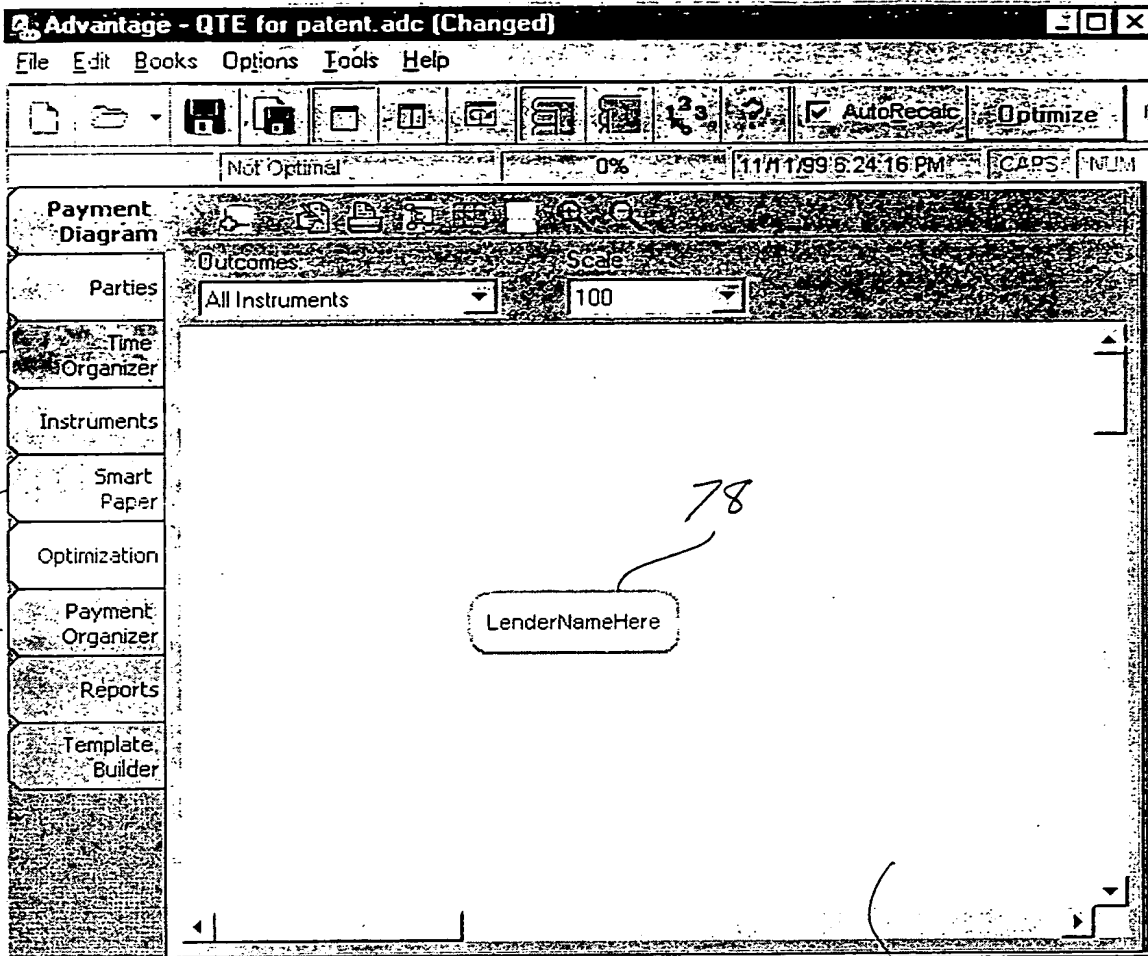


FIG. 14

50

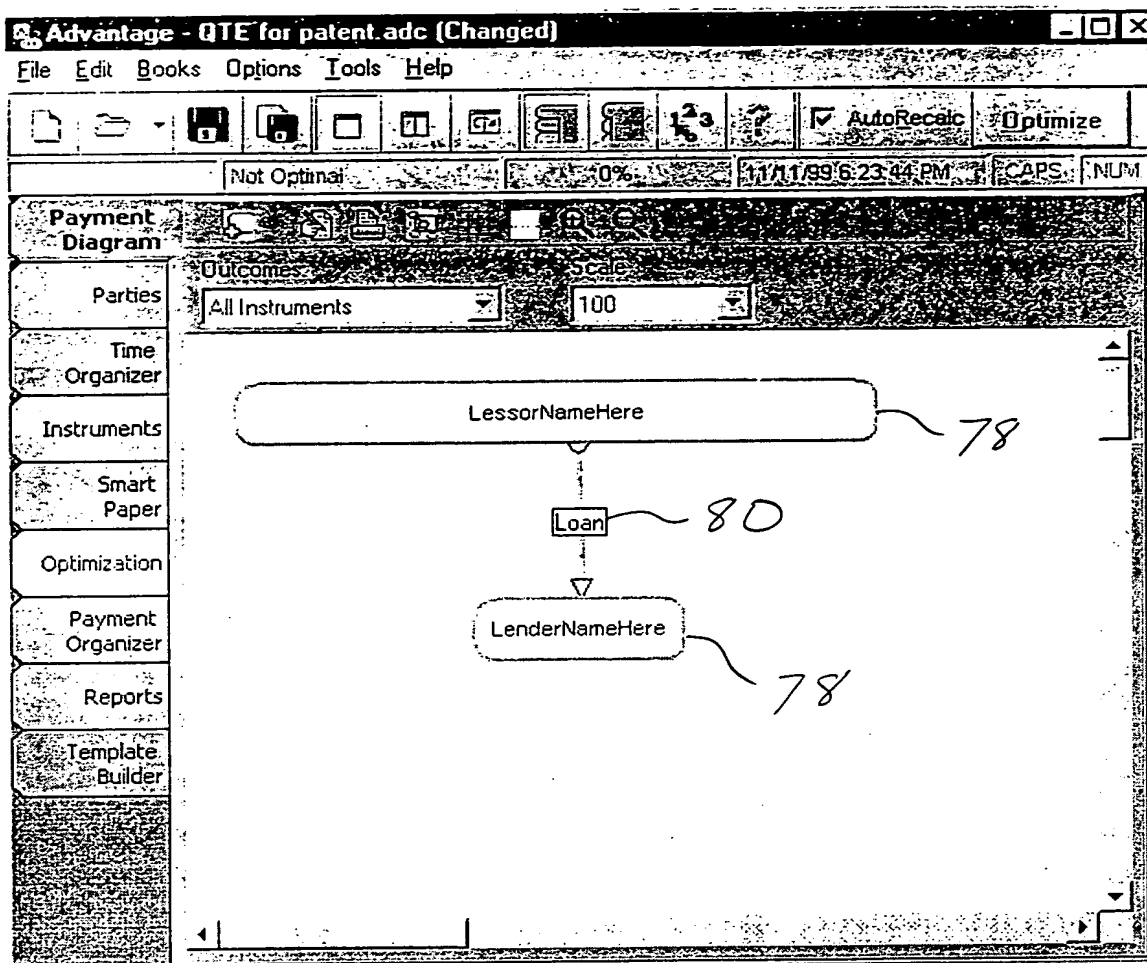


FIG. 15

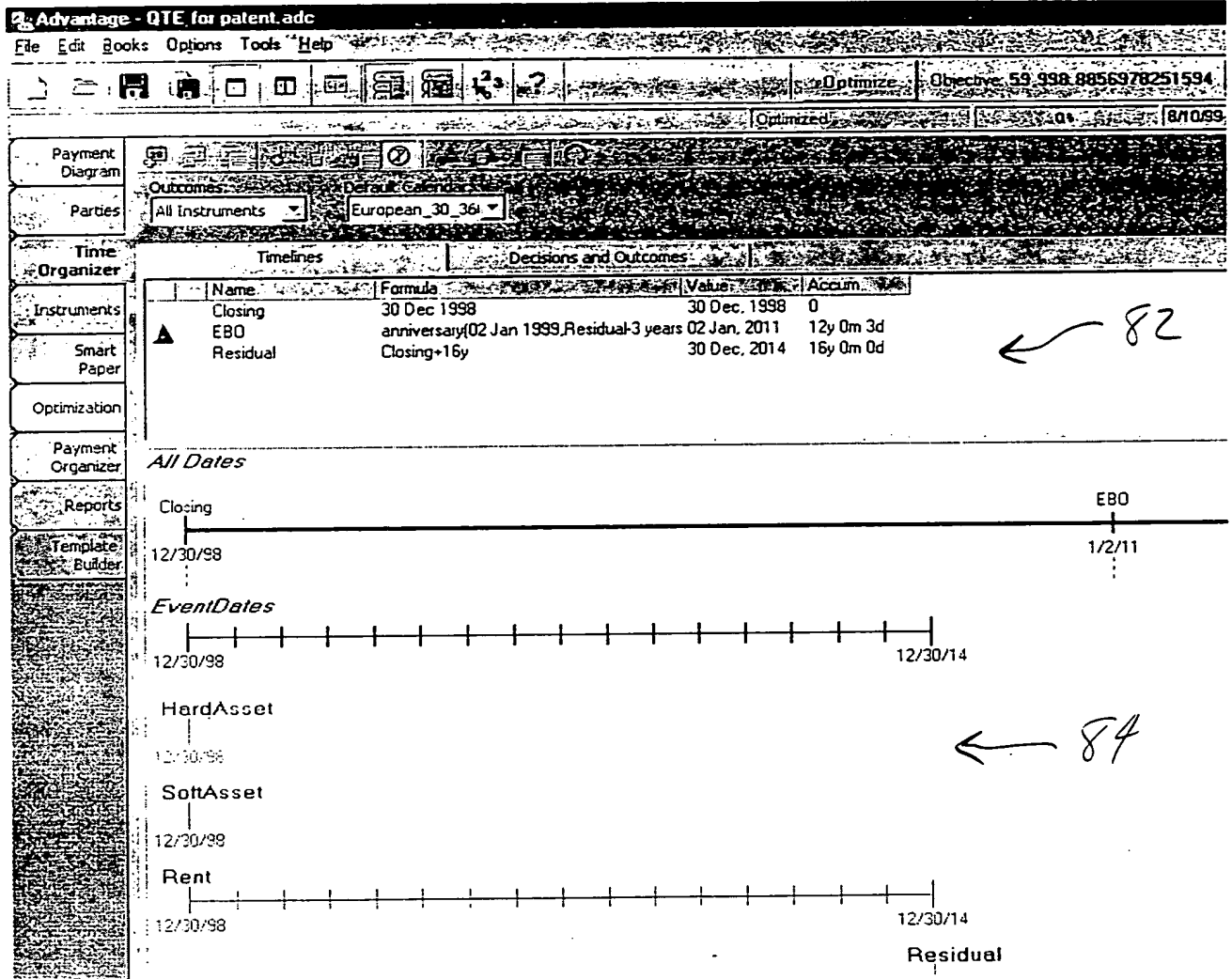


FIG. 16

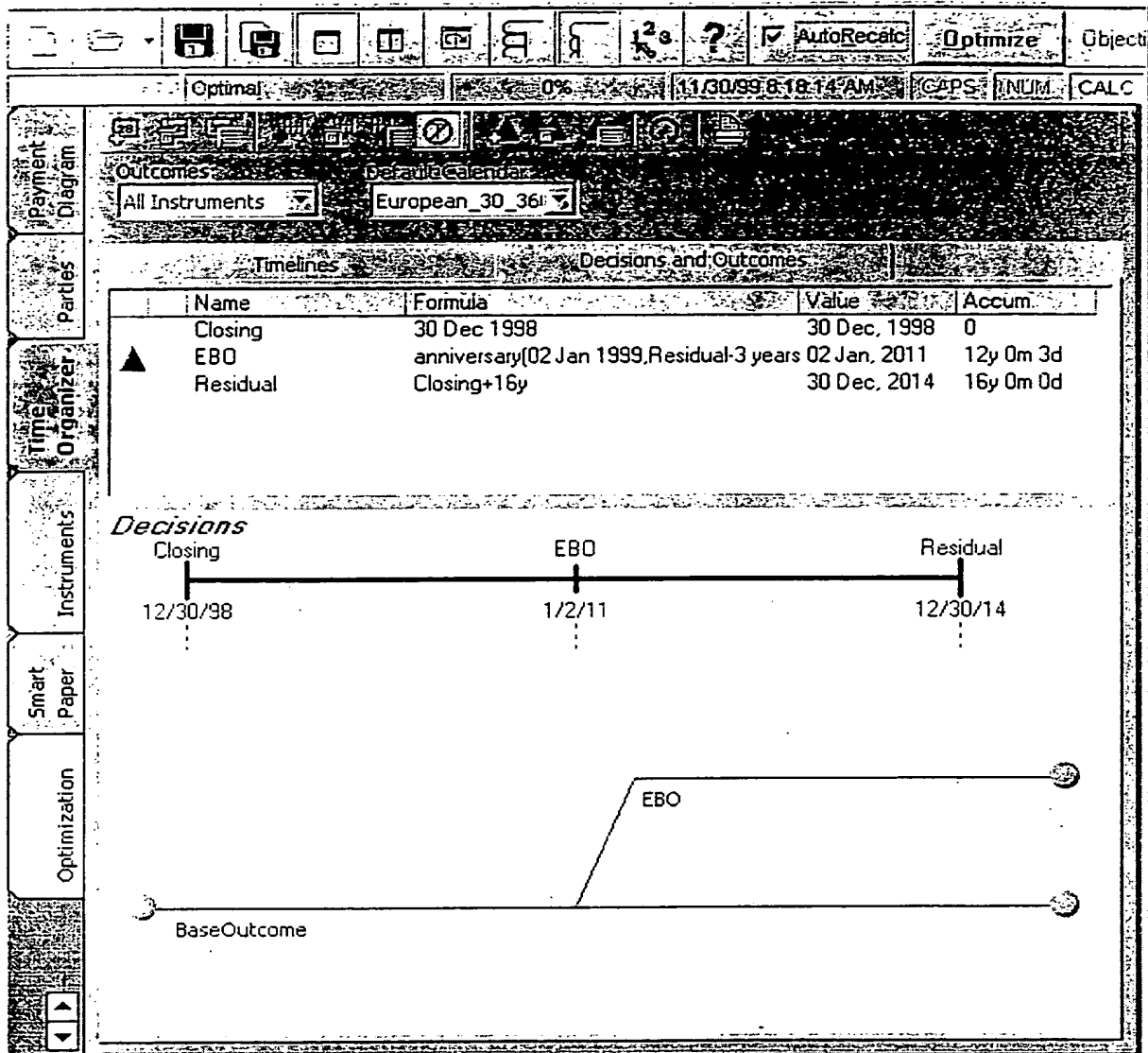


FIG. 17

FIG. 18

FIG. 18

[-] [P] InterestRate	
[-] [P] RateStartDates →	30 Dec. 1998
[-] [P] Rate →	5.0625% Table: 5.0625%;
[-] [P] TakedownPattern	
[-] [P] FundingDates →	

FIG. 19

Advantage - QTE for patent.adc

File Edit Books Options Smartpaper Tools Help

Optimize Objective: 59,998.8856378251594

Optimized -0% 8/10/99

Payment Diagram

Parties

Time Organizer

Instruments

Smart Paper

Optimization

Payment Organizer

Reports

Template Builder

IRS PVB EconFull EconEBO General

PVB

Benefit (PresentValueBenefit)

Input

DefeasanceParty LesseeNameHere

BorrowerParty LessorNameHere

DefeasanceRate 5.0000%

QuotingFrequency Semiannual

DefeasanceDate 30 Dec, 1998

Calendar European_30_360

Outcome EBO

CashDates → 30 Dec, 1998 02 Jan, 1999 02 Jan, 2000 02 Jan, 2001 02 Jan, 2002 02 Jan, 2003 02 Jan, 2004

AvailableCash	•	260,632.96	0.00	0.00	0.00	0.00	0.00
CashToDefease	•	0.00	0.00	0.00	0.00	0.00	0.00

Defeasance

Results

PVAvailableCash	260,632.96
Deposit	200,634.07
PVBBenefit	59,998.89
DefeasanceDate	30 Dec, 1998
DefeasanceRate	5.0000% per year
Result	59,998.89

FIG. 20

Advantage - QTE for patent.adc
 File Edit Books Options Tools Help

Optimize Objective: 59,998.8856978251594
 Optimized: 0% 8/10/99

Payment Diagram
 Parties
 Time Organizer
 Instruments
 Smart Paper
 Optimization
 Payment Organizer
 Reports
 Template Builder

☐ Show Details ☒ Show Full Name ☐ Min on Optimize ☒ AutoRefresh

Objective Function: Edit PVB.Result ☒ Maximize 59,998.885697825 ☐ Minimize
 Optimization Type: Multi-step Search
 Constraints are: Satisfied
 Completion Status: Optimized

Constraints (22) | Assertions | Optimizable Parameters (6) | Search Parameters (1) | Non-Linear Parameters (0)

Binding

IRS.URT.Results.BoundsTest.AnnualizedRent >= MinAnnualAllowed*(1+OptimizationMargin)
 IRS.URT.Results.BoundsTest.AnnualizedRent <= MaxAnnualAllowed*(1-OptimizationMargin)
 IRS.MMI.Calculations.OptimizeLastRentDate.ZeroRent = 0
 IRS.MMI.Calculations.OptimizeLastRentDate.OptCashThrowoffCeiling >= CashThrowoffToDate+OptimizationMarginToDate
 EconFull.Return.RequiredMinimum.Investment.Balance >= 0
 EconFull.Return.RequiredMinimum.Investment.Balance = 0 on Last(YieldDates)
 EconFull.Return.RequiredMinimum.SinkingFund.Balance >= 0
 EconFull.Return.Results.TotalATCash >= NoIndex: MinAnnualCashPct*Cost*CashTerm
 EconEBO.Return.RequiredMinimum.Investment.Balance >= 0
 EconEBO.Return.RequiredMinimum.Investment.Balance = 0 on Last(YieldDates)
 EconEBO.Return.RequiredMinimum.SinkingFund.Balance >= 0
 EconEBO.Return.Results.TotalATCash >= NoIndex: MinAnnualCashPct*Cost*CashTerm
 Rent.Schedule.AdvanceArrears.AdvanceRent >= 0
 Rent.Schedule.AdvanceArrears.ArrearsRent >= 0

FIG. 21

Report: LesseeBenefit (PVB)					
Nov 21, 1999					
BABCOCK & BROWN INC.					
Confidential Analysis					
Lessee Benefit Present Value					
9:17 PM					
Available Cash Present Value	280,632.98				
Less Deposit =	200,634.07				
Lessee Benefit Present Value	59,998.89				
on	30 Dec, 1998				
Discounted at	5.0000% per year				
Date	Deposit	Cash To Defease	Interest	Principal	Balance
30 Dec, 1998	200,634.07	0.00	0.00	0.00	200,634.07
02 Jan, 1999		0.00	55.73	(55.73)	200,689.81
02 Jan, 2000		0.00	10,034.49	(10,034.49)	210,724.30
02 Jan, 2001		0.00	10,536.21	(10,536.21)	221,260.51
02 Jan, 2002		0.00	11,063.03	(11,063.03)	232,323.54
02 Jan, 2003		0.00	11,616.18	(11,616.18)	243,939.71
02 Jan, 2004		0.00	12,196.99	(12,196.99)	256,136.70
02 Jan, 2005		0.00	12,806.83	(12,806.83)	268,943.53

FIG. 22

Total 31 Dec, 1998 31 Dec, 1999 31 Dec, 2000 31 Dec, 2001					
AfterTaxCash					
PreTaxCash					
Inflows					
RentReceived	1,247,056	0	390	70,147	70,147
ResidualReceived	200,000	0	0	0	0
SubTotal: Inflows	1,447,056	0	390	70,147	70,147
Outflows					
DebtServicePaid					
InterestPaid	(308,979)		(208)	(37,421)	(35,714)
PrincipalPaid	(739,367)	0	(182)	(32,726)	(34,380)
SubTotal: DebtSer	(1,048,346)	0	(390)	(70,147)	(70,147)
SubTotal: Outflows	(1,048,346)	0	(390)	(70,147)	(70,147)
Investment					
SourcesOfFunds					
Borrowings	739,367	739,367			
SubTotal: Sources	739,367	739,367			
UsesOfFunds					
AssetsPurchased	(1,000,000)	(1,000,000)			
InitialFeesPaid	(15,000)	(15,000)			
SubTotal: UsesOfFunds	(1,015,000)	(1,015,000)			
SubTotal: Investment	(275,633)	(275,633)			
SubTotal: PreTaxCash	123,077	(275,633)	0	0	
Taxes	(43,077)	24,566	72,874	72,296	71,500
SubTotal: AfterTaxCash	80,000	(251,067)	72,874	72,296	71,500

FIG. 23

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		30 Nov. 1999	30 Nov. 2000	30 Nov. 2001			
SampleSheet_2							
Aircraft							
Plane1							
RentDates	→	30 Nov. 1999	30 Nov. 2000	30 Nov. 2001			
Rents	•	100	100	100			
Plane2							
RentDates	→	01 Jan. 1999	01 Jan. 2000	01 Jan. 2001			
Rents	•	50	75	100			
Totals							
TotalDates	→	01 Jan. 1999	30 Nov. 1999	01 Jan. 2000	30 Nov. 2000	01 Jan. 2001	30 Nov. 2001
TotalRents	•	50	100	75	100	100	100
AnnualTotals							
AnnualDates	→	30 Nov. 1999	30 Nov. 2000	30 Nov. 2001	30 Nov. 2002	30 Nov. 2003	
AnnualRents	•	100	175	200			

FIG. 24

		30 Nov 1999	30 Nov 2000	30 Nov 2001		
SampleSheet_2						
Aircraft						
Plane1						
<u>RentDates</u>		→ = starting today annual for 3				
<u>Rents</u>		• =100				
Plane2						
<u>RentDates</u>		→ = starting 01 Jan 1999 annual for 3				
<u>Rents</u>		• = 50;75;100 thereafter				
Totals						
<u>TotalDates</u>		→ = union(Plane1.RentDates,Plane2.RentDates)				
<u>TotalRents</u>		• = subtotal(Aircraft,,Rents)				
AnnualTotals						
<u>AnnualDates</u>		→ = starting today annual for 5				
<u>AnnualRents</u>		• = TotalRents				

FIG. 25

Simple Loan Example

Simple Loan - Values

Inputs							
Scalars							
Cost		1,000,000.00					
Calendar		Actual_365					
RateSchedule							
RateDates	→	01 Jan 2000	01 Jan 2001	01 Jan 2002	01 Jan 2003	01 Jan 2004	01 Jan 2005 . . .
Rate	→	8.2500%	8.2500%	8.5000%	8.5000%	8.7500%	8.7500% . . .
Payments							
PaymentDates	→	01 Jan 2000	01 Jul 2000	01 Jan 2001	01 Jul 2001	01 Jan 2002	01 Jul 2002 . . .
InputAmounts	•	0.00	90,909.09	90,909.09	90,909.09	90,909.09	90,909.09 . . .
Amortization							
AmortDates	→	01 Jan 2000	01 Jul 2000	01 Jan 2001	01 Jul 2001	01 Jan 2002	01 Jul 2002 . . .
Principal	•	0.00	60,876.43	63,078.19	66,112.55	67,770.57	71,004.40 . . .
Interest	•		30,032.66	27,830.90	24,796.54	23,138.52	19,904.69 . . .
DebtService	•	0.00	90,909.09	90,909.09	90,909.09	90,909.09	90,909.09 . . .
Balance	•	730,064.69	669,188.26	606,110.07	539,997.53	472,226.96	401,222.56 . . .
PVFactor	•	1.00	0.96	0.92	0.89	0.85	0.82 . . .
Result							
LoanAmount		730,064.69					

FIG. 26

Simple Loan - Formulas

Inputs

Scalars

Cost =1000000
 Calendar =timeline.Calendar

RateSchedule

RateDates → =starting first(PaymentDates) annual ending last(PaymentDates)
 Rate =Table: 8.25% for 2; 8.5% for 2; 8.75% thereafter

Payments

PaymentDates → =StartDates: Starting 01 Jan 2000 semiannual for 11
 InputAmounts • =0; Cost/(COUNT(PaymentDates)) thereafter

Amortization

AmortDates → =ActsLike(PaymentDates): PaymentDates
 Principal • =DebtService-Interest
 Interest ◄ =Arrears:previous(Balance)*Rate*periodInterval(-1)
 DebtService • =InputAmounts
 Balance • =Previous(Balance,LoanAmount)-Principal
 PVFactor • = Previous(PVFactor,1)/(1+(Rate*PeriodInterval(-1)))

Result

LoanAmount =SUM(PVFactor*DebtService)

FIG. 27

Present Value and IRR Example

PV IRR - Values

Inputs							
Investor	InvestorParty						
Calendar	European_30_360						
CashFlow_Summary							
Project_Dates	→	01 Mar 1999	15 Apr 1999	15 Jun 1999	15 Sep 1999	15 Dec 1999	15 Mar 2020
Investor_PTCF	•	(67,006,051)					0
Investor_Taxes	•		2,179,058	2,179,058	2,179,058	2,179,058	0
Investor_ATCF	•	(67,006,051)	2,179,058	2,179,058	2,179,058	2,179,058	
IRR_Calculation							
FirstIRRDat	28 Feb. 1999						
LastIRRDat	31 Mar. 2020						
IRR_Dates	→	28 Feb 1999	31 Mar 1999	30 Apr 1999	31 May 1999	30 Jun 1999	31 Mar 2020
InvestmentBalance	•		(67,006,051)	(65,587,269)	(66,331,447)	(64,905,010)	18
Earnings	•		0	(760,276)	(744,177)	(752,621)	0
PV_Calculation							
PVRate_Effective	10.0000%						
PVRate_Nominal	9.5690%						
PV_Dates	→	01 Mar 1999	01 Apr 1999	01 May 1999	01 Jun 1999	01 Jul 1999	01 Jan 2019
PVFactor	•	100.0000%	99.2089%	98.4240%	97.6454%	96.8729%	15.1024%
Base_PTCF	•	(67,006,051)					20,660.833
Discounted_PTCF	•	(67,006,051)	0	0	0	0	3,120.275
Base_ATCF	•	(67,006,051)		2,179,058		2,179,058	17,396.295
Discounted_ATCF	•	(67,006,051)	0	2,144,717	0	2,110,917	2,527.253
PV_Summary							
PVofPTCF_UsingFunction	6,346.148						
PVofPTCF_UsingSP	6,346.148						
PVofATCF_UsingFunction	17,740.438						
PVofATCF_UsingSP	17,740.438						
IRR_Summary							
NominalIRR_UsingSearch	13.6156%						
NominalIRR_UsingFunction	13.6156%						
EffectiveIRR	14.4983%						

FIG. 28

PV IRR - Formulas

Inputs	
Investor	= InvestorParty
Calendar	= European_30_360
CashFlow_Summary	
Project_Dates	→ = dates(collectpayments(Investor, "AfterTaxCash"))
Investor_PTCF	• = collectpayments(Investor, "PreTaxCash")
Investor_Taxes	• = collectpayments(Investor, "Taxes")
Investor_ATCF	• = collectpayments(Investor, "AfterTaxCash")
IRR_Calculation	
FirstIRRDate	= MonthEndOf(First(Dates(CollectPayments(Investor, "AfterTaxCash")))-1 Month
LastIRRDate	= MonthEndOf>Last(Dates(CollectPayments(Investor, "AfterTaxCash")))
IRR_Dates	→ = starting FirstIRRDate monthly ending LastIRRDate
InvestmentBalance	• = Cumulative(Investor_ATCF)+Cumulative(Earnings)
Earnings	• = Arrears: previous(InvestmentBalance*NominalIRR_UsingSearch*periodinterval)
PV_Calculation	
PVRate_Effective	= NoIndex: 10%
PVRate_Nominal	= NoIndex: 12*((1+PVRate_Effective)^(1/(12)))-1
PV_Dates	→ = starting Closing monthly ending Completion
PVFactor	• = 1; previous(PVFactor/(1+PVRate_Nominal*PeriodInterval)) thereafter
Base_PTCF	• = Investor_PTCF
Discounted_PTCF	• = PVFactor*Investor_PTCF
Base_ATCF	• = Investor_ATCF
Discounted_ATCF	• = PVFactor*Investor_ATCF
PV_Summary	
PVoIPTCF_UsingFunction	= daily_present_value(Base_PTCF,PVRate_Nominal,Closing, Calendar)
PVoIPTCF_UsingSP	= sum(Discounted_PTCF)
PVoIATCF_UsingFunction	= daily_present_value(Base_ATCF,PVRate_Nominal,Closing, Calendar)
PVoIATCF_UsingSP	= sum(Discounted_ATCF)
IRR_Summary	
NominalIRR_UsingSearch	= Search(-10%,200%,1E-6%,Last(InvestmentBalance),0):0.13615645
NominalIRR_UsingFunction	= monthly_IRR(Investor_ATCF)
EffectiveIRR	= ((1+NominalIRR_UsingFunction/12)^(12))-1

FIG. 29